50X1-HUM FORM NO. 51-4AA INTELLIGENCE AGENCY INTELLOFAX 25 CLASSIFICATION KET/CONTROL - U.S. OFFICIALS ONLY SECURITY INFORMATION NFORMATION REPORT CD NO. DATE DISTR. 11 April 1952. COUNTRY Germany (Russian Zone) NO. OF PAGES SUBJECT Two Conferences at the Ministry of Supply NO. OF ENCLS. (LISTED BELOW) DATE OF INFO. 50X1-HUM SUPPLEMENT TO PLACE THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 THIS IS UNEVALUATED INFORMATION ND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-

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- 1. At a conference of departmental heads in the DDR Ministry of Supply on 2h January 1952, Alfred Binz, the Deputy State Secretary, amounced that owing to the necessity of reducing imports in 1952, he had called them together to hear their views on ways and means of doing this. The following statements were made:
 - a. Chemical industry:, Abteilungsleiter Ruetter said that owing to the dismantling of the planta at Stassfurt and Bernburg(1) insufficient soda was available in the DDR to maintain the production of glass and of washing materials and that if the 1952 plan was to be achieved, soda must be imported.
 - b. Metallurgical industry: Abteilungsleiter Schneider said that owing to the shortage of hard coal the rolled steel plan for the DDR was already falling behind and that unless a further reduction in the motor-car production was to be accepted, rolled steel would have to be imported. He mentioned that Poland was not fulfilling her contract for the delivery of coal.
 - c. Leather and Textiles: Abteilungsleiter Herzberg said that as a result of the recent demands for leather by the Russians, who were asking for some 90% of the total DTR production instead of the 40% laid down in the plan, he did not know how to meet the demands of the home market and that unless some leather were imported, the plan could not be fulfilled.
 - d. Mineral Oils: Abteilungsleiter Preiss stated that his department was called upon to produce large quantities of aviation spirit and that the pure alcohol needed for this could not be produced in the DDR at present. The plant for its production was on order likely to be delivered in the near future. He could not, therefore, 50X1-HUM give up any of the imports he had requested.

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e.	Building Materials, China, and Glass: Abte:	ilungsleiter Berendt said	d that
	if the plan for production of bullet-propf	glass were not to be aba	andoned,
	Mowelith (binding material)	must be imported as	
. الأكتاب	The import of a Mowelith plant		had
	been, decided upon but no progress made.	,	50X1-HUM

- f. Paper trade: Abteilungsleiter Langenstrass stated that the Handels-Organisation had complained of the quality of the grease-proof paper made in the DDR which gave the food wrapped in it an unpleasant tasted and said that if suitable paper was to be provided it would have to be imported. He stated that Walter Ulbricht had taken an interest in this matter without, however, achieving any result.
- After these statements had been made the question of sabotage was raised. Abteilungsleiter Huetter reported that in the production of tires, it had been discovered that although the Deka Works in Fuerstenwalde(2) had fulfilled its plan on paper, this had been achieved by a gross over-production of tires for ordinary cars, while truck tire production was only 2% of the plan. Herzberg reported a similar case where an over-production of children's shoes had been carried out at the expense of shoes for adults in order to echieve a paper fulfillment of the plan. Preiss said that a number of cases had been reported from Leuna of water being found in gasoline drums. Berendt said that morale among building workers had been lowered by the delays at ministerial level in approving building plans and in releasing materials. Finally Binz reported that owing to non-fulfillment of the plan for tractor spare parts, 1,400 of these machines had been out of action in the autumn, which meant 35,000 square meters had unnecessarily lain uncultivated.
- 3. At an earlier conference on 14 January 1952, Hinz reported as follows:
 - a. As a result of a shortage of caustic soda in the DDR, the production of "synthetic wool (Zellwolle) would have to be cut by 30% in 1952; this would be equivalent to a reduction of 1 kilogram per head of population. 50X1-HUM
 - b. Owing to sheet metal not being delivered the production ofautomobiles would have to be reduced by 8%.
 - c. During 1951, 300,000 complete standard wooden huts (Einfamilienhaeuser) had been sent to the USSR; this figure, would be raised to 500,000 in 1952.

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